

## **PREPARING FOR EU ACCESSION NEGOTIATIONS**

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## **INTRODUCTION**

The extraordinary dynamics of the process of European integration in the second half of the Nineties has brought forward the need for numerous adjustments, different in depth and in scope, in the associated Central and Eastern European Countries (CEECs) having applied for membership of the European Union. For some countries these processes have developed more rapidly than expected and the adjustments in question have been more or less prompted by the aspiration not to lag behind in the overall process of approximation of Central and Eastern Europe to the EU. The environment is dynamic: the process of integration develops in parallel to, and sometimes even coincides with, the process of political and economic transformation typical of the transition to a democratic society with a functioning market economy. Thus, in the desire to reach as soon as possible the goal - full membership of the Union - it is particularly difficult, but also very important, to bear in mind the useful lessons of the past and the experience gained over previous EU enlargements.

The purpose of this paper is to draw attention to some typical challenges relating to the negotiations for EU membership, both in the short and in the medium term perspective. This could be a contribution to the development of the various elements of Bulgaria's preparation for accession negotiations. Emphasis is laid on the model of negotiations, on the various underlying principles, on the indispensable preparation for their conducting, on some organisational and other aspects of their successful development. In this respect, significant reflection is devoted to the lessons to be drawn from the last, fourth, enlargement of the Union.

The negotiations for accession to the European Union will take place in a given context which would undoubtedly influence their dynamics and predetermine their successful completion. The context will have both external and internal dimensions, the first connected with the changes in and the readiness of the European Union itself, and the second with the preparation of the candidate country concerned. For the purposes of this paper, attention is mainly drawn to the internal adjustments needed by CEECs, rather than on the processes within the Union which have already been discussed in numerous publications.

The historical lessons, the theoretical and practical background described in the first part of the paper and the recommendations on Bulgaria's preparation in the second part are based on an analysis of existing studies, monographs, documents and materials devoted to these problems, as well as on some practical observations arrived at in the course of this process.

The clear prospect of opening accession negotiations with Bulgaria in the foreseeable future makes it particularly necessary to refine the overall preparation of the country in order to ensure the indispensable conditions for the conduct of the negotiations. Thus, the conclusions offered below should be regarded as practical recommendations for a more successful preparation of Bulgaria for membership of the Union. The collected material could also be used as reference for some typical problems and for the approaches used to solve them.

## **1. THE CONTEXT OF THE FIFTH ENLARGEMENT OF THE EUROPEAN UNION**

The forthcoming fifth enlargement of the EU eastwards seems critical for the future of European integration, since it puts on the agenda fundamental issues relating to the objectives and to the very process of European integration. Due to the fundamental differences in the level of development, the main issue concerns the admissible degree of diversity which would not affect the very stability and nature of the European Union. With the present number of candidates, the number of EU Member States would double.

As regards the differences in terms of quality, **first** it should be noted that during the previous enlargements the discussion was focused on the problems of individual candidate countries or on certain policies, whereas the discussion today cannot but affect some fundamental issues of the entire system of European integration. The environment in which the next enlargement would take place is completely different: the elements of bipolar Europe from the Cold War era no longer exist, the system of international relations in Europe is much richer in terms of new mechanisms and instruments, and the process of globalisation has steadily become a basic feature of our present and future days. In these circumstances the question arises whether European integration could still be based on the common objectives and historical experience of the nucleus of Western European countries alone.

**Secondly**, accession to the ED necessitates some political and economic adjustments. The experience from previous enlargements shows that the successful integration of a new Member State into the ED depends mostly on that State's own desire to undertake fundamental changes, and not so much on the specific conditions of membership arrived at in the process of negotiations. If the desire for a rapid accession declared by CEECs is supported by adequate action, the next enlargement would have all chances to be a success, rather than a failure. Hence, each candidate country should clarify for itself if it wants accession to the EU at any rate and answer the question how to translate its politically driven actions into the language of reforms and adjustments expected by the EU.

**Thirdly**, the fifth enlargement will take place under the conditions of a relatively recent (dating back only to the Nineties) but rich in content institutional framework of relations between the EU and CEECs. The Europe Agreements between the European Communities and their Member States and the associated countries, which have been successfully implemented over the past few years, are important instruments for deepening the political and economic links with the applicants. This in itself, however, is not a sufficient adjustment. The scope of the Europe Agreements is restricted and their full implementation does not result automatically into EU membership. The evolutionary nature of these instruments embodied in their

provisions is largely limited by the complex procedures laid down for any revision thereof, which require ratification. Hence, the agreements cannot be used as a basis for flexible adjustments and this would be a problem against the backdrop of the very dynamic environment.

**Fourthly**, a successful enlargement would also require that fundamental -reforms take place in the EU in connection with the institutions (majority voting), the Common Agricultural Policy, the structural policies, the comprehensive financial package for the period 2000-2006, etc. The pace of these reforms will predetermine the preservation of balance in the Union which might prove to be more important for the Member States than the expected next enlargement. At the same time, the candidate countries are not able to influence the process of reforms in the EU. They would have limited information on its development and, in fact, would simply observe the achievement of an agreement on their own place in the future enlarged Union, both in respect of their positions in the institutions and in respect of the financial assistance on which they actually rely.

The **fifth** important feature of the current conditions is the higher threshold for the new candidate countries resulting from the completion of the single market and the launching of the Economic and Monetary Union. This is a significant difference in comparison to previous enlargements. The increased requirements and the depth of the integration process, coupled with the lower level of preparedness of the associated countries in terms of system adaptation, would certainly turn the fifth enlargement into a complex and ambiguous process.

**Sixth**, at different stages of the Union's development the emphasis has been placed on either enlargement or deepening. The success of enlargement has always depended on the favourable economic climate. The Union's development in depth is most important for the dynamics of integration. It has been recognised right from the outset that the idea of integration should not be isolated from the European context and that, if this idea is successful, it would itself give the impetus for further enlargement. Though the criteria for admission to the ED have often been complex and contradictory, that major commitment has opened the door for a perpetual process of enlargement. The search for a balance between enlargement and deepening has always underlain the dynamics of the European Community. For this reason enlargement has always taken place when the risks to dilute the process have been reduced to a minimum, by linking such enlargement to new projects for deepening and through the requirement that the future Members States provide new guarantees for the nature of the process. Seen from this angle, the current situation is characterised, on the one hand, by the implementation of one of the most courageous projects for deeper integration, viz. the introduction of a single European currency and, on the other hand, by a large-scale enlargement aimed at closing a fifty-year gap and having a much greater political importance than any preceding enlargement. The keyword, again, is "preservation of balance" and both parties should have a good understanding in that respect.

And finally, one point of terminology. Unlike any previous enlargement of the EC (EU), where the term used was „accession of new members to the Community (the Union)", it seems far more appropriate now to label this process, on account of its historical significance, not simply as „the forthcoming fifth enlargement", but as the process of "re-integration of Europe".

## **2. THE METHOD OF ENLARGEMENT OF THE COMMUNITY**

The method of enlargement, developed yet by Jean Monnet, is based on the desire to identify those areas in which the interdependence of the Member States inspires closer co-operation. A successful process of integration would lead itself to the need for a better co-ordinated policy, improvement of the decision-making mechanism, development of the institutions, etc., and the number of areas would constantly increase. While this method often results in a policy based on the least common denominator, the Member States have not identified a better solution so far and the fifth enlargement of the Union will also develop along the lines of this method.

**The classical method of enlargement of the Union:**

All previous enlargements have followed the same pattern both in terms of formal procedures and in terms of the principles applied pending the negotiations. A fundamental **characteristic** of the pattern is the clear identification, at the very onset of the negotiations, of the main results to be achieved, viz. the integration of new members into a club with an ever growing volume of legislation. The **goal** of the negotiations is not so much the future agreement between the parties but rather the way in which one of these parties should apply the rules and regulations of the club. For this reason the existing differences often remain to be solved later, after the country joins the club and acquires full rights to participate in the voting and decision-making procedures.

The **framework** of the accession negotiations, i.e. the parties who could participate in them, is defined by Art. 237 of the Treaty of Rome. According to its latest phrasing given by the Treaty on European Union (Article O), „[a]ny European State may apply to become a member of the Union. (...)”,(1) on the basis of assent from the European Parliament.

In contrast to the negotiations with third countries which are conducted by the Commission on a mandate given by the Council, accession negotiations develop on the basis of intergovernmental procedures (intergovernmental conferences are convened) and are conducted by the Council. The reason is that the negotiations for membership are not ones between „us” and „them”, but concern „the future relations between us”.(2) Hence, there is a higher sensitivity of mutual adaptation than during ED conventional negotiations or, for instance, during negotiations held in a multilateral environment as that of WTO.

The decision to apply for membership of the Union is an important political step. In order to be creditworthy, such a decision should be based on internal political consensus. It should also be reconfirmed throughout the preparation and the negotiations for membership. A possible manifestation of such consensus, largely relied on in the course of previous enlargements, would be the carrying out of a referendum after the successful negotiations, so that the exact conditions of accession could be known. The existence of domestic political consensus is an important aspect that could be used by the negotiators when discussing some particularly sensitive areas. There is wide consensus in the Bulgarian society as regards the final goal of the integration process: full membership of the European Union. That consensus has been stated on numerous occasions by the Bulgarian Parliament and by all Bulgarian Governments in the Nineties. The problem is how to maintain the consensus during the negotiations (where some temporary failures are not excluded) and how to develop the organisational scheme so as to involve the various factors of the civil society in the entire process of negotiations, the lead part in it being attributed to the administration which will be responsible for the successful outcome of the negotiations.

What are the standard procedures of the Council for conducting negotiations? There is an established model in that respect. According to Christopher Preston, a leading EU analyst, the following eight elements of the model could be discerned on the basis of the experience accumulated during previous enlargements:

1. The EU conducts the accession negotiations with all candidates according to the same rules of procedure.
2. The Council is in charge of defining the common position of the EU, though COREPER (Comite des Representants Permanents) could also define common positions.
3. In order to ensure compliance with such common positions, the Commission is vested with the right of initiative in respect of all issues coming up during the negotiations and connected with the Treaties. After the entry into force of the Treaty of Maastricht the Presidency, jointly with the Member States and the European Commission, may make proposals on issues falling under the "second pillar" (common foreign and security policy) and the „third pillar" (justice and home affairs).
4. In accordance with Art. 151 TEU (Treaty on European Union), COREPER is responsible for preparing the work of the Council in respect of the common positions.

5. The negotiation sessions between the EU and the candidate countries are chaired, on the part of the EU, by the current Presidency of the Council.

6. Whenever the common positions of the EU affect an existing Union policy, they are presented by the Presidency or by a decision of the Council and the Commission.

7. The rules referred to in 5. and 6. above also apply in the case of negotiations conducted at the level of COREPER.

8. Where common policies are affected, the Council entrusts the Commission with the task to find solutions for the problems with the candidate countries and to report on them to the Council for further instructions.(3)

This framework is based on the leading role of the Council and will be preserved for the forthcoming enlargement, whereas the Commission's involvement will be formally limited to the function's of a „fair intermediary“.

The opinion of the European Commission on the application for membership is not a legal requirement to open the negotiations but has always been extremely important for the whole discussion on the accession of a given country, thereby confirming the Commission's important involvement in this process. The time necessary to prepare the opinion has varied from four months (in the case of Norway) to three years (Turkey, Malta and Cyprus), whereas the average time for the associated CEECs was around one year. The opinion is adopted by a majority of the members of the European Commission and is forwarded to the Council of Ministers for a final decision.

The problematic applications tend to affect adversely the applications of other candidate countries connected with the „problematic“ country but, as a rule, such other countries are not fortunate in "escaping" from a given package. The European Council may reject the Commission's opinion for political reasons and, of course, as a result of active lobbying. That was the case with Greece. As far as the associated CEECs are concerned, the Luxembourg European Council entirely agreed with the opinions proposed by the European Commission but developed a framework which made possible the simultaneous launching of the process of enlargement of the European Union.(4) It is expected that the Helsinki European Council would make a decision to open formal bilateral negotiations for membership also with Bulgaria, on the basis of the country's having successfully matched the criteria for membership.

After a decision to open negotiations has been made, the Council must convene an „accession conference“ with each candidate country. The conference usually holds meetings at the level of ambassadors but the initial and the final phase of its work often develop also at the level of ministers. In terms of procedure, these are separate conferences which are not linked, though common solutions are frequently sought in practice. The Council, the Commission and the candidate countries form groups composed of senior officials directly involved in the negotiation process. In the candidate countries, such groups are usually within the structure of the foreign ministries but they might also report directly to the Prime Minister. The European Commission sets up an enlargement task force within DGIA which must co-ordinate the work with the other Directorates-General in view of drafting common positions for the Council.

### **The analytical stage**

The first task of the conference is to identify the areas on which negotiations will concentrate and break down the different activities into chapters. The negotiations are divided into an analytical and essential stage. The first stage, largely conducted by the Commission in consultation with the candidate country, includes a detailed review of legislation in order to determine which instruments of secondary legislation could be immediately enforced upon accession and the points where technical adjustments would be needed either to Community instruments or to the domestic legislation concerned.

## The essential stage

The EU needs this stage in order to arrive at a general overview of the candidate country before a common position is proposed to the Council. From the point of view of the candidate, that period is connected with monitoring and waiting for the end of the internal co-ordination within the Union. The co-ordination of that internal position among the Member States often takes up most of the time of negotiations. In addition, the applicant is invited to submit a draft decision on the problematic issue, which should state that the *acquis communautaire* - the body of Community law, *i.e.* the entire set of legislative instruments, agreements and case-law<sup>(5)</sup> - is not directly applicable, and make a request for interim measures, transitional periods, etc. (on this, see also section 5 below and Annex 1). Upon entry in the essential stage the EU must set the (target) deadline for completion of the negotiations. The time for ratification is also taken into account here so that the new members could join on 1 January in order to avoid complications for the budget. It thus becomes easier to find solutions. The most sensitive issues are usually left for the end, while the easier topics are discussed right at the outset. In order to find solutions acceptable both for the applicants and for the EU, without encroaching upon the *acquis communautaire*, a political decision must be made by the major EU Member States. The linking of the various applications to each other at the final stage might prove fatal. For example during the most recent, fourth enlargement the link was evident: Norway finalised its negotiations in the fisheries sector three weeks after all the other candidates had completed the negotiations and in this way pressure was exerted for a rapid finalisation of the whole package.

Before the ratification procedures are launched in the Member States, the agreement must be approved by the European Council. After that the completion of the procedure in the candidate country is awaited in order to avoid surprises at the end. According to the co-decision procedure provided in TEU, the European Parliament must also give its assent. The Member States use either a parliamentary procedure or a referendum, or both, in order to ratify.

A specific feature of the Eastern enlargement is that the essential stage for the countries in the first group has already started in some areas before the analytical stage has been finalised in all areas. The EU has thus manifested its willingness for a successful completion of the formal procedure.

### 3. FUNDAMENTAL PRINCIPLES OF THE CLASSICAL METHOD OF ENLARGEMENT OF THE UNION

The principles listed below were applied during the fourth enlargement and would largely apply, or are being applied already, in respect of the fifth enlargement. They have been formulated by analysts of the fourth enlargement but could be briefly discussed here for the sake of completeness:

#### Principle 1

*The candidate countries must take on board the entire **acquis communautaire**. No permanent derogations are allowed.*

This principle has been valid from the very beginning of the Community's existence. The content of the *acquis* is determined at the outset of the negotiations. In particular, it covers necessarily the contents, the principles and the political objectives of the European Union. When the screening of the *acquis communautaire* was launched in respect of the associated countries its object was clearly defined as comprising the following elements:

- the contents, the principles and the political objectives of the existing Treaties, including the Treaty of Amsterdam;
- the instruments adopted in implementation of the Treaties and the case-law of the European Court of Justice;
- the declarations and resolutions adopted within the framework of the Union;

- the joint actions, common positions, declarations, conclusions and other measures adopted in the context of the common foreign and security policy;
- the joint actions, common positions, conventions signed, declarations and other measures coordinated in the context of the co-operation in the field of justice and home affairs;
- the international-treaties entered into by the Community and those made between the Member States themselves in the fields of action of the Union.(6)

The clear idea that the new members join an already existing club, introduced as early as 1963 by General De Gaulle, retains its fundamental importance even nowadays. Despite the fact that this principle is clearly formulated, each candidate country tends to see its own case as a specific one which should entail special treatment. The practice shows, however, that the EU seldom agrees to this. Any allowance for derogations from the principle risks to undermine a carefully weighted larger compromise among the Member States, thus becoming even more unacceptable.

## **Principle 2**

*The accession negotiations concentrate exclusively on the practical aspects of the adoption of the acquis by the applicant concerned.*

The Community tends to avoid radical political novelties in the course of sensitive negotiations. For this reason the negotiations usually focus on transitional periods of limited duration in order to align the policies *vis-a-vis* third countries.

Some adjustments might be very serious indeed. For instance during the last enlargement some practical amendments were made to the Community rules. A good example of that type of adjustment on the part of the ED was the setting up of a new "Objective 6" Structural Fund for the Northern regions based on the density of population, and not on GNP per capita rates. Another example was the consent that the new Member States should preserve their higher standards of environmental protection for a period of four years, whilst the EU would try to adopt new, higher, standards over the same period. Regardless of the desire to base such adjustments on objective, universally applicable criteria and not make them dependent on specific national problems and interests, their application would inevitably benefit some Member States more than others. In view of the specific context and scale of the fifth enlargement, the possibilities for serious adjustments would be restricted. Thus, the attention should be focused on interim measures and transitional periods.

The transitional period for meeting the convergence criteria would remain a fundamental instrument and characteristic of enlargement. It would guarantee the first principle and ensure some flexibility, thus making it possible to take account of the specificity of each candidate country.

## **Principle 3**

*The problems stemming from the diversity of the enlarged Union are solved through the creation of new policy instruments which supplement, or overlap with, the existing ones and no fundamental reforms are undertaken to remove the imperfections of the instruments in force.*

It is not realistic to expect that the EU would streamline its legislation on each enlargement. Enlargement is always a deal characterised by the input of many components and compromises from both sides but none of the compromises during the preceding enlargements has affected e.g. the structural problems of CAP. Nevertheless, prior to the fifth enlargement a radical reform would be needed of that policy which might result into an exception to the principle, as "the reform will be carried out in the context of pending accession negotiations.

The logic of this principle stems from the application of principles 1 and 2. So far, it has been proven in practice and has constituted an important element in the construction of package solutions.

#### **Principle 4**

*The new Member States are integrated into the EU institutional structure on the basis of a limited adjustment supported by promises that the fundamental review and the possible reforms would take place after the enlargement.*

Any enlargement evokes lively debates on the decision-making procedures, the efficiency of the institutions and on accountability. Attempts have been made to study some changes in the institutions in parallel to the enlargement but the clear linkage of separate problems has always been avoided. The involvement of new counterparts in the work of the institutions has always been based on the calculation of proportions and votes according to the existing criteria. This was particularly evident during the Lisbon Summit in June 1992 when a decision was made for the accession negotiations with the EFTA countries to take place exactly on this basis, whereas the institutional reform was postponed for the Intergovernmental Conference (IGC) in 1996. The IGC itself proved that it was impossible, even over a time span of sixteen months of discussions on the institutional reform, to find a politically acceptable solution and left the issue for a subsequent intergovernmental conference that would precede and most probably delay even more the fifth enlargement. The Cologne European Council made a decision on opening that conference in 2000.<sup>(7)</sup> Nevertheless, it should be noted that the political decision and commitment of the EU in respect of the fifth enlargement generate political tension and would accelerate the co-ordination of the institutional reform which might result in diverting from the established practice.

This principle is clearly linked to Principle 2 and makes it possible to find compromises and to set realistic transitional periods. It should be borne in mind that it will remain an important instrument of the EU during the negotiations. The Union would then try to convince Bulgaria that, regardless of the difficulties caused by the existing decision-making mechanism, if support for the country's position in certain areas is not received in the Council, Bulgaria would have real influence and a genuine possibility to participate in the process after it joins.

#### **Principle 5**

*The Community prefers to negotiate with blocks of countries which have already established close links among themselves.*

Three out of four previous enlargements involved candidates which had 'already established close trade and political relations among themselves. This is more convenient for the Union, as the conferences for the accession of these countries may be parallel and such countries usually raise the same issues during the negotiations. In other words, this approach is preferred both for practical reasons, viz. the parallel conducting of accession conferences, and for political reasons, namely the linking of some issues. Common solutions also reduce the costs of enlargement. From the point of view of the candidate countries, however, such linking is undesirable.

This principle has been proven in practice with one single exception - Greece. It is hard to imagine that individual negotiations would take place, as the fifth enlargement would require difficult political decisions on the future accessions and the EU has never negotiated with more than four applicants at the same time. One of Bulgaria's tasks during the negotiations would undoubtedly be to deepen the contacts and the dialogue with the countries which have already started bilateral negotiations.

#### **Principle 6**

*The Member States use the enlargement process in order to internationalise their domestic problems which would thus automatically become EU problems.*



On the basis of the consensus required for each enlargement, many Member States try to trade their consent for some benefits. Thus Greece received funding under the integrated Mediterranean programmes in order to withdraw its blocking veto on the Iberian enlargement. The enlargement may also be used to solve a political problem that has lingered for some time - for example, the fisheries were an open issue also in the early Seventies with the prospect of several new entrants. The common fisheries policy is an example of how the United Kingdom and Spain succeeded, but Norway failed, on a very sensitive issue. In respect of other, less important issues compromises have been reached in the frame of package deals.

This principle should also be seen from a different angle. The common consent of all Member States on the accession of a candidate country is a sum of the consent of each one of them., *i.e.* each Member State has its own position in respect of the applications. So in the course of the negotiations the bilateral relations of the applicant country should be based to the maximum possible extent on the tactical advantages offered by the solving of bilateral issues.

Mainly by reason of its quantitative and qualitative dimensions, the fifth enlargement would inhibit the application of this principle by the candidates. Nevertheless they will import, in one form or another, their problems into the EU and the question is actually focused on the state of those specific problems and the prospects for their solving.

The above principles are derived from practice and have generally been followed. Whenever enlargement is at stake, a discussion is launched about a fundamental reform of the institutions, the policies, etc., which should enable the EU to function with more members. No reform, however, has ever taken place in the context of any enlargement. One of the biggest problems upon each enlargement is the need for the applicants to adjust their expectations of the EU, to think over their national interest and to identify new possibilities for exerting influence within the Union.

#### 4. THE EXPERIENCE OF PREVIOUS ENLARGEMENTS

The **first** enlargement, *i.e.* the accession of the United Kingdom, Ireland and Denmark, lasted from 1961 to 1973 and has been the lengthiest process so far. As this period is rather remote and the enlargement itself involved specific political problems, it could give rise to very limited lessons and practical conclusions to our benefit.

The **second** enlargement, that is the accession of Greece, is especially interesting not only because of its geographical proximity but also because of the specific level of economic and political development which differed from the EU average. As early as 1959, when it filed its application for membership, Greece made a very clear choice in favour of the EU as opposed to the alternative to join EFTA as a model of economic development. Membership was turned into a long-term task. The European Community also covered the basic sector in Greece - agriculture. As regards the motives of the Community, they were purely political - Greece was a member of NATO and hence had a particular part to play in the formulation of a Mediterranean security policy that could also involve Turkey. The problems surrounding the political and economic situation in Greece (the moratorium on the negotiations after the military *coup-d'etat* in 1967 and the restricted application of the Association Agreement) invited the ideas about a pre-accession period which were finally rejected by the Council.

The Council entered into essential negotiations only after the work on the technical files had been completed. There was a fairly straightforward link between political and technical issues. Two years after the negotiations had started, the European Commission had not yet submitted its position on the agricultural sector which required a purely political decision. Other sensitive issues, in addition to agriculture, were the free movement of persons, the transitional periods, the contribution to the Community budget, the mechanism of VAT transfer, etc. The Greek strategy for the negotiations (which took a total of 34 months) was based on lessons from the first enlargement. Speed was of the essence in the Greek strategy and the fundamental national interest was to acquire the rights pertaining to membership as soon as possible, while making a compromise with the defence of specific national political positions. The aspects

of geo-political stabilisation were also important. Greece was important for the EC in order to push for enlargement in the Mediterranean region - in a sense, these negotiations were a rehearsal for other enlargements in the same direction (Spain, Portugal).

As the Greek experience has shown, the classical method of negotiations with an emphasis on legislation and transitional periods might be applied even under conditions of instability and lack of security. A negative lesson we should remember, though, is the internationalisation of some Greek structural economic problems before the Community had found adequate instruments to overcome them.

The **third** enlargement (Spain and Portugal) was launched before the Greek accession had been finalised. There, the EC faced a number of problems with specific sectoral policies (e.g. agriculture) and with individual Member States, on the one hand, and in terms of an overall new enlargement which might alter the nature of the Community, on the other hand. Some well known issues came to light again, such as the level of development, heterogeneity, the correlation between enlargement and deepening, etc.

The problematic areas for Spain were the abolition of customs duties, the reduction of State aids, the introduction of VAT, the restructuring of the agricultural sector in order to avoid large-scale regional imbalances, the fisheries industry, and the free movement of workers. Spain also had some regional problems stemming from the competition at the French-Spanish border. An assessment was made that the strong competitiveness of Spain in the Mediterranean region would affect adversely the non-members there. Hence, the Community's Mediterranean policy had to be adjusted.

Portugal entered the negotiations as a demanding country. In contrast to Spain, very few of Portugal's industrial sectors posed any problems for the EC. The country's main request was to receive assistance for the restructuring of its entire economy. That approach had some drawbacks, in particular some inaction during the negotiations and, naturally, the country's vulnerability.

In addition to being protracted (it took 80 months for Spain and 36 months for Portugal), the Iberian enlargement was the most problematic of all previous enlargements. Notwithstanding some difficulties in areas like steel and some adjustment problems, e.g. in the fisheries sector, the Spanish economy as a whole was strong and diversified. The public opinion was unanimous that Spain would be among the elitist members of the club and membership was perceived as a manifestation of political self-respect and national pride. Portugal followed the example of Greece and Ireland and, as a result, the price of enlargement was relatively low. Spain's main target during the negotiations was to obtain recognition of her lawful interests and role in the Community. The Accession Treaty referred to numerous issues which were subject to subsequent clarification.

## **5. SOME SPECIFIC LESSONS TO BE DRAWN FROM THE LAST ENLARGEMENT**

As the fourth enlargement has been the most recent one and many of the mechanisms for its carrying out, as well as the problems it involved, were logically linked to the next enlargement, a more detailed look at the accession negotiations of the EFTA countries might be of genuine interest.

The group of the EFTA countries had a number of characteristics in common which all combined to make it a suitable and desired member of EU. As to the potential problems of the enlargement towards that group of countries, the following could be mentioned:

- the significant scepticism of the public opinion in these countries towards the EU, as well as the leading role of the governments in the process of accession;
- the fact that the EFTA countries were subsidising their agriculture more than the EU itself which was a problem against the backdrop of the trends in CAP and the negotiations within the GATT Uruguay Round;
- the decision of the EFTA countries to enter into negotiations for accession to the EU was a turning point in the policy of each of those countries. The EFTA members had long resisted membership

in the European Union either implicitly, through their membership of an alternative club, or explicitly, through a referendum (the Norwegian "no" in 1972) or even through the EEA (in the case of Switzerland).

The main peculiarity of the fourth enlargement was that it took place with the European Economic Area between the EU and EFTA already in existence. The EEA as a form of integration went beyond the trade and co-operation agreements and the association agreements, and was the immediate forerunner of full membership in the EU.

The EEA was a more stable link but it lacked equality and was incomplete in some important aspects. From its very beginning, EFTA was conceived as a pragmatic alternative to EC membership, or rather as a reaction to the division of Western Europe after the foundation of the European Communities. EFTA membership was largely motivated by political factors, in particular issues like the members' attitude towards sovereignty, neutrality, etc. Attempts to integrate the two groups and to dilute the organisational divides, especially through the EEA, only reiterated the imbalance between the EC and EFTA and in a certain sense discredited EFTA.

It proved impossible to embark on EEA active membership without full membership of the Union. That required that both the EU and its potential new members had to prepare themselves as early as possible to face the challenges of full membership. The Central and Eastern European countries have learnt this lesson already and placed full membership in the centre of their efforts as early as the beginning of the 90s, during the development of the EU pre-accession strategy.

The framework for the negotiations with the EFTA members included an indicative list of chapters for the negotiations. In that list, the issues in Chapters 1 to 11 were the only ones been dealt with in detail during the EEA negotiations, Chapters 12 to 16 had been only partially included in the EEA, and Chapters 17 to 22 were completely new as compared to the EEA. Chapters 23-26, except for the EMU and ERM, concerned new elements introduced with the Treaty of Maastricht, and the other chapters were of a more general nature. That division could be illustrated in the following table:

Chapters almost entirely covered by EEA	1. Free movement of goods 2. Freedom to provide services and right of establishment 3. Free movement of workers 4. Free movement of capital 5. Transport policy 6. Competition 7. Consumer protection and health care 8. Research and information technologies 9. Education 10. Statistics 11. Company Law
Chapters partly covered by EEA	12. Social policy 13. Environment 14. Energy 15. Environment 16. Fisheries
Areas covered by EU and not covered by EEA	17. Customs Union 18. External relations 19. Structural instruments 20. Regional policy 21. Industrial policy 22. Tax policy
Areas introduced with the Treaty of	23. Economic and monetary union 24. Foreign and security policy

Maastricht	25. Justice and home affairs 26. Others
Common chapters	27. Finance and budget 28. Institutions 29. Others

If the above format is compared to the chapters along which the analytical screening with the associated CEE countries has been conducted, a large similarity of topics can be established. In the case of CEECs, the following differences could be identified:

1. New separate chapters have been introduced for financial control and small and medium-sized enterprises.
2. The chapters on "Institutions" and "Others" have not been opened yet. That would obviously happen at the final stage of negotiations.
3. During the pending analytical screening the topics "Structural policy" and "Regional Policy" have been merged into "Regional policy and structural instruments co-ordination".
4. Instead of "Research and information technologies", there are two separate groups now: "Telecommunications and information technologies" and "Science and research".
5. It is noticeable that the screening now takes place in a different order not only in comparison with the fourth enlargement but also in terms of the approach to first-wave and second-wave associated countries.

During the fourth enlargement, negotiations were more difficult on those chapters which had not been covered by the EEA, i.e. agriculture, regional policy, transport (mainly for Austria), environment and fisheries (only for Norway). One of the most serious internal problems for the Union during those negotiations was the institutional issue (qualified majority).

As suggested by the classical model, the purpose of the negotiations was to set transitional periods that would enable the incorporation of the *acquis communautaire* in the domestic legislation of each new member state, and allow agreement to be reached on some interim derogations. In some cases, the compromise resulted in "ingenious" solutions described in more detail in the next subdivision.

The mechanism of negotiations applied during the fourth enlargement (see Annex 1) would most probably be preserved also in the course of the fifth enlargement.(8) That mechanism is based on the following features:

- a gradual achievement of progress, initially on the easier issues (chapters);
- exclusion of the problem-free issues from the *acquis communautaire* and dividing the areas into such requiring only technical adjustments or problematic ones;
- need to fix each interim solution achieved and receive a mandate from the Council for every compromise;
- gradual translation of the agreements and compromises reached into provisions of the future Accession Treaty.
- The above scheme does not include the possibilities to exert influence at the different stages of the national procedure, nor the entire set of other factors apt to impact on the process of negotiations. The main conclusion to be drawn from its graphic presentation in Annex 1 is that this is a complex technical expert exercise where, upon identifying the problem, the experts on both sides should receive a political mandate to continue their work on the negotiation package.

Only after a political solution had been reached on all issues raised by the Union and by the applicant countries, were the negotiations on the "Institutions" chapter finalised, with the negotiations conferences being completely finished as of 30 March. A special committee drafted the Accession Treaties, the annexes, the protocols and the relevant declarations. After a positive opinion from the Commission, which was formally published on 19 April, 1994, on 4 May the European Parliament gave its assent. Following the signing of the acts, the ratification procedures were launched. The four countries had promised their populations to hold referenda on that issue. The referenda were successful in three of the countries, and failed in Norway, with the following results:

Austria	12 June	66.6%
Finland	16 October	56.7%
Sweden	13 November	52.2%
Norway	28 November	47.7% (only 0.6% more than the 1972 referendum)

In that connection, it may be noted that the co-ordination of the time of holding the referenda among countries in the same group may have an accumulative effect and contribute to their success. At the same time, the referenda had a very important political objective, viz. to show the European Union that the political line followed by the administrations of the candidate countries enjoys the sympathy of the population and that the Union could rely on unreserved support from its new members in future.

## 5.1. THE MAIN PROBLEMATIC AREAS DURING THE FOURTH ENLARGEMENT

The EFTA countries were relatively rich, they had introduced the free movement of industrial goods as early as 1977 and had largely taken over the liberalisation of trade, services and the right of establishment, as well as the EU rules in the context of the EEA. That meant that the negotiations during the fourth enlargement were not expected to be particularly difficult. In the course of those negotiations, the following main groups of problems were solved:

### **Customs union and external relations**

The applicants had to agree on adjusting their customs tariffs to the EU Common Customs Tariff and accepting the common commercial policy, while renouncing their bilateral trade arrangements and commitments within EFTA. As a compromise, it was agreed that the Nordic countries would keep their free-trade arrangements with the Baltic States in the expectation that the EU would also enter in such agreements with those States. A number of customs duties for the new entrants were abolished.

### **Environment, health care standards**

All the four applicants requested exceptions in the field of environmental standards in an aspiration to preserve their higher standards and their special treatment of some animal and plant species, etc. The so-called "third solution" ("third option") was achieved enabling the future members to preserve their environmental norms (stricter than those in the EU) for a period of four years. During that period, the EU norms and directives in these areas had to be reviewed in conformity with the normal procedures in the Union, and the result were to be binding on all Member States. Other solutions envisaged short transitional periods, EU funding for monitoring, technical adjustments of lists of protected animals, adding some drinks to the EU list of alcoholic beverages, etc.

### **Agricultural and regional policy**

Unlike the previous enlargements, the fourth enlargement developed under the conditions of the single market which required abolition of border controls as from the date of accession. That, in turn, called for corresponding price adjustments. Three of the candidates, except Sweden, had higher price levels and were protecting their agricultural produce. Thus a request was made to maintain the privileged status of that

sector. Given the conditions in the north, it became necessary to link the farmer's support to the structural issues. The amount of support for the agricultural sectors in those countries was agreed on for a certain transitional period. At the same time a new Objective 6 was introduced in order to provide structural assistance in areas with population of less - than 8 persons per square kilometre. Specific support was envisaged for the \ integration of northern agriculture and of the small Austrian farms into CAP. Likewise, a system of protection was developed for some sensitive agricultural and food products.

### **State monopolies**

The situation in all the applicant countries was contrary to EU legislation concerning the production, import, export, whole sales and retail sales of alcoholic beverages (for the four countries) and tobacco products (for Austria). During the negotiations, the candidates invoked arguments based on health and social policy considerations and on the possible reactions of various social groups that were opposing the eased access to alcohol. This part of the negotiations did not turn out to be very difficult despite the fact that the mass media focused extensively on them. The transitional periods and the adjustments were the logical follow-up to the commitment to take on board the EU rules which had been undertaken yet during the EEA negotiations.

### **Fiscal issues**

It was agreed that the applicants would apply the Community VAT system, with the indispensable adjustments for gradual implementation. An agreement was also reached that, during the transitional period some quantitative thresholds would be kept for cigarettes and tobacco products which foreigners could import duty-free. A system of compensations from the EU was envisaged. The same compensatory mechanism was put in place in order to exclude the Eland islands from the territorial scope of application of the EU rules on indirect taxation.

### **Fisheries**

The main problems in this area involved Norway and related in particular to the access to waters, the access to and management of resources, and the access to the fish markets. The access to Swedish, Finnish and Norwegian waters had been arranged for identically to that in the case of Spain and Portugal, with the applicable technical adjustments. As regards the access to resources, the laying down of general catching levels and quotas virtually followed the models established in the EEA. Finland and Sweden were allowed to preserve their traditional catching of herring for purposes other than for food (feedingstuffs) over a transitional period, after a scientific estimate of the development of fish reserves.

### **Budgetary issues**

According to the initial estimates made by the European Commission, the four candidate countries would contribute an additional 6 bin ECU annually to the EU budget and would receive 4.5 bin ECU. According to the same estimates, Finland would receive more than its own contribution to the Community budget. Nevertheless a compensation was agreed on for the new Member States during the first four years (1995-1998) in order to overcome the time span inevitably needed to implement the mechanisms of CAP, and to provide an equivalent to the EEA commitments.

### **Other specific issues**

In addition to the above general issues, there were some problems specific to the different countries which also had certain political and economic importance. Among those, the following could be mentioned:

- A road transit agreement requested by Austria in order to restrict the transit traffic of heavy-freight lorries through the Alps and bilaterally to and from Austria. That issue was solved at the last round of the negotiations, on 1 March 1994;
- The protocols concerning the special rights of the Sami population (the inhabitants of Lapland) in Sweden, Finland and Norway;
- The specific status of the Eland islands (approved by 73.7 per cent of the population of those islands in a referendum held on 20 November 1994);

- Putting the Finnish insurance companies under an obligation to divide their pension schemes from their insurance business and to open the market also for companies from other countries;
- The provision of a five-year period to the new members to adapt before they would grant foreigners the right of second residence,

### **Issues relating to the Treaty of Maastricht**

In the course of the negotiations, all the four applicants agreed to take on board the Community primary and secondary legislation on issues directly relating to the TEU, such as: economic and monetary union (Chapter 23), CFSP (Chapter 24), justice and home affairs (Chapter 25), and other provisions of the Treaty of Maastricht (chapter 26). Nevertheless, the agreement stated was not binding on them in respect of the position they would take in connection with the future development concerning these issues within the EU.

### **Security issues**

The security issues were central to Austria, Finland and Sweden because of the negative stance that these countries had had for long towards EU membership. The security policies of the three countries were in a state of re-evaluation and transition but in Austria and Finland the trends of renouncing neutrality were more radical, as for them neutrality was connected with recognition under international law.

On opening the negotiations the European Commission was sceptical in respect of the three countries in view of the then emerging CFSP. The Commission's opinions for the applicants mentioned that neutrality was a problem which required specific and binding guarantees.<sup>(9)</sup> In that connection, in February 1993 the Swedish Government declared its preparedness to participate fully in the CFSP, while preserving its policy of non-participation in military alliances. In other words, Sweden was not prepared to participate in military alliances but would not obstruct other Member States to develop a common defence capacity. Thus, the Swedish Government manifested its readiness to preserve both the national consensus and its reluctance to irritate its partners in the course of the negotiations.<sup>(10)</sup> The remaining countries also made declarations underlining acceptance of CFSP in its existing form. The provisions of Article J.4.4 TEU proved to be particularly disturbing, as they related to the delegation of decision-making powers and the undertaking of actions having defence implications. The interpretation offered that the defence aspects would be refined within the WEU, not CFSP, contributed both to the successful outcome of the negotiations and to the acquisition of an observer status within the WEU by Sweden, Austria and Finland as from 1 January 1995.

On the whole, the lack of problems in connection with the accession to the CFSP during the last enlargement was largely due to the underdeveloped nature of that common policy of the EU.

### **The institutional debate**

During the negotiations on the fourth enlargement there was some lack of confidence that the deadline for the accession of these countries set by the European Copenhagen Council - 1 January 1995 - would be respected, mainly in view of the participation of the new members in the EU institutions. This problem is always solved among the Member States, not in the course of negotiations between the candidates and the EU. The difficulties this time were prompted by the position of the United Kingdom and Spain. They wanted to alter the proportion of weighted votes within the Council of Ministers, thus keeping the blocking minority down to 23, instead of increasing it to 27 votes (the latter figure being the correct one after a calculation based on the larger number of votes). Both the other Member States and the European Parliament opposed that approach which had been inspired by fears that the influence of those two countries would be weakened (and in the case of Spain, the influence of the Mediterranean as well). The issue was only solved at the Council meeting in Yanina on 24 March 1994. That compromise did not form part of the accession negotiations, nor was it written down in the records of the conference. According to it, the problem with the weighted votes and the majority voting threshold had to be discussed at the IGC in 1996.

An especially valuable lesson to be drawn from the fourth enlargement is that the preparation for successful negotiations requires complete clarity on the central priorities and the latter should be restricted in number in order to be achievable. The Swedish Government, for example, had the following top priorities: preservation of the alcohol monopoly, amount of the contribution to the budget, and greater transparency in the EU decision-making process.<sup>(11)</sup> On the first two issues, a significant compromise was reached,

whereas on the last one no particular success was seen. The arriving at a good package of arrangements, taking account of the domestic policy arguments of the applicant, helped the government in holding a successful referendum for membership on 13 November 1994.

## **5.2. THE EFFECT OF THE 1995 ENLARGEMENT**

The major effects of the 1995 enlargement could be systematised as follows:

1. The number of Member States was increased from 12 to 15, the territory expanded by 788 000 square kilometres, and the population rose by 22 million people, 7 per cent were added to the EU GNP and the EU per capita income rose from 15 840 to 15 951 ECU. In that sense, the market dimension of the last enlargement was not dramatic.
2. The role of the EU in international organisations was reinforced and the Union's political profile was raised following the accession of countries with active foreign policy, also in the context of East-West relations.
3. The number of official languages was mechanically adjusted from 9 to 11, as were the relevant numbers for the European institutions, and the capital of the European Central Bank was increased pro rata. There were no radical reforms of the institutions.
4. A distinction was made between small and big Member States in order to ensure the presence of at least one big country in the Troika whenever the Council determines the rotation within the Troika (the representation of small countries will be on the agenda of the next enlargement as well).

The consequences described above were relatively restricted. In line with the expectations, however, the new Member States contributed to raising the profile of the EU in areas like social standards and environmental protection, the conduct of a more open policy vis-a-vis third countries, the democratic control exercised by national parliaments and by the European Parliament, as well as in some other respects. This, as a whole, is favourable for the next enlargement of the Union.

The future enlargement will affect the reform of CAP and of the structural funds, that is 80 per cent of the Community budget. All the three new entrants from the previous enlargement have agricultural sectors which enjoy significant support and, hence, would be extremely cautious when deciding on the specific reforms of those policies. The environmental standards form the second area which will be carefully watched by those countries when the conditions for the next enlargement are negotiated. Finally, the accession of the weaker Central and East European countries will certainly not be beneficial to the completion of the economic and monetary union.

The fourth enlargement was the last classical enlargement, as the EU now faces serious internal changes. The last countries which joined the Union could be anticipated to have the following priorities:

- preservation of the status of the small states;
- reinforcement of subsidiarity as a political principle;
- development of a one-speed Europe;
- moderate future support for the federalist approach towards the future of European integration;
- strengthening of the democratic legitimacy, transparency, openness, the access to information and development of the concept of Union citizenship.

## **6. MAIN EFFECTS OF ACCESSION ON THE NEW MEMBER STATES**

This issue is directly related to the success of the accession negotiations. Some of the effects in question should be clear yet before the start-off of the negotiations, others will have to be clarified in the course of negotiating, and yet some others will become visible only after the accession. Clarity on these aspects may



predetermine a better negotiating position, pave the way for a successful referendum and make it possible to avoid unpleasant surprises after the accession.

Some of the major effects of enlargement, derived from the examples of previous enlargements, could be traced in the scheme shown in Table 2:

	<b>Direct</b>	<b>Indirect</b>
<b>Political</b>	Supremacy of EC law over domestic legislation	Re-orientation of foreign policy
	EC law directly applicable	Change in the decision-making scheme and in policy implementation
	Amendments to the Constitution and change of the constitutional status of the national parliament	New models of representation of interests
	Representation and involvement in the EC decision-making process	
	Secondment of national representatives to the EU institutions	
<b>Economic</b>		Re-orientation of trade flows
	Implementation of the EU competition and state aids policy	Restructuring of industry and agriculture
	Implementation of the regime of the common agricultural policy	Regional effects
	Access to the structural funds	Implementation of the EC framework with respect to domestic reforms
		Acceptance of the EMU convergence criteria(12)

The implications of membership are multifaceted and are hardly quantifiable. The direct political effects relate to the implementation of EC law. The indirect effects, however, are in fact the object of negotiations - both parties must mutually inform themselves of the expected pros and cons and a time-table should be set for the restructuring and re-orientation that will result from membership.

All candidate countries draw a precise balance for the implementation of the EU provisions and arrive at the "net sum".

### **Political effects**

The direct political effects may be seen as comprising the following:

- The acceptance of the common policies and positions of the EU would affect, yet significantly, the policy towards third countries. That impact also tends to grow due to the volume of legislation adopted on a regular basis;
- The direct applicability of EC legislation means that the national legal systems must absorb and integrate the entire *acquis* of the Community, put in place mechanisms for implementation and assessment of the transposition of EC law into the national legislation;
- The change of the status of the national parliament requires that the entire domestic legislation to be adopted by those parliaments be brought into line with EC law. In many States wide debates

- usually take place on the degree to which the sovereignty of the national parliament is affected, especially given that the different countries share different doctrines of sovereignty;
- The representation and participation in the Community decision-making process would mean an immediate possibility to participate in the EU common policies and influence them. This is a very important argument during the negotiations which counters the threat of undermining the national independence. All this requires changes in the internal administrative structures and a new attitude towards the multilateral negotiations.
  - The seconding of staff to the EU institutions is an immense task for the small countries which calls both for the recruitment of suitable personnel to work in the institutions of the Union and for the re-orientation of the most skilful administrators towards positions connected with European integration.

The impact of all these factors on a new Member State would depend on the balance between the possibilities and the willingness of the Government, on the main interest groups to be affected, and the overall support of the public opinion. The degree of their impact would also be predetermined by the nature of the relations with the Union before accession. None of the forms which have existed so far, i.e. association agreements, EFTA membership and EEA, accordingly, do not endow the relations with such a quality, nor do they imply the full taking on board of the obligations stemming from membership. This is why the forthcoming change is of a completely different nature in terms of quality.

### **Indirect political effects**

The long-term political effect of membership is the ramification that is hardest to define with precision. Nevertheless, such arguments are often invoked as the most important ones and are usually resorted to when other consequences are less acceptable. In all countries where the transition to democracy is relatively young, membership may be expected to exert a stabilising influence on the political parties and on the democratic process in the country to the extent to which that country would form part of an integrated political and economic community having at its disposal numerous mechanisms for control and possibilities to influence the entire civil society.

#### Reorientation of the foreign policy

The expected advantages of membership are connected with the fact that the EU is an ever expanding political and economic block. The achievement of a stronger influence in international relations within the framework of the EU is regarded as a compensation for the surrender of the freedom to act independently. The degree of reorientation of the foreign policy depends on numerous factors, and mostly on the assessment as to how essential an adaptation would be needed from the point of view of the vital national interests.

For some new members the change is also motivated by the wish to escape from a non-democratic past (this was the case with Greece, Spain and Portugal) and/or avail themselves of the new geo-political situation after the disintegration of the former Soviet Union (the already described case of Austria, Sweden and Finland). Even Member States in less vulnerable positions like Ireland or Denmark joined partly in order to weaken their dependence and to place the relations with their bigger neighbours (the United Kingdom and Germany respectively) in the context of a pan-European co-operation. This argument will be particularly valid for the countries of the fifth enlargement and, in most cases, it has been the leading reason to apply for membership.

### **Changes to the schemes of drafting and implementation of political decisions**

Membership of the EU invariably affects also the structures, the process and the contents of the national decision-making process. The divide between domestic and foreign policy fades away with the progress towards a closer interaction between the national politicians and their colleagues in the Member States. The

linking of different issues and the building up of coalitions, both of them typical of the EU decision-making process, affect and also become typical of the decision-making process in the new Member-State.

### **New models of representation of interests**

Participation in the Community institutions creates new possibilities and contacts for corporate and other interests. The EU would become a centre attracting the local and regional authorities and this would necessitate a change in the inter-relation and interaction between the national and sub-national level of governance. "Europe of the Regions" will gain many new supporters, thus becoming a factor to be reflected in the position of the national government in the EU.

The dynamic effects of accession could not be fully foreseen. The negotiations themselves will give a good idea of them, for example through the requests made for derogations, transitional periods or technical assistance for the restructuring of a given sector.

Regardless of the diversity of the nine countries which have joined the Union so far after the foundation of the European Community, the following general conclusions may be formulated about the effects of enlargement on the new Member States:

1. The adaptation to membership depends more on the national approach to membership than on the provisions of the EC acquis itself. If the adoption of the acquis is not accompanied by a serious programme for the indispensable internal reforms (as in Spain), the adaptation would be far more difficult (Greece). The EU does not regard requests for exceptions and long transitional periods as a positive sign.
2. The common agricultural policy (CAP) impacts strongly on the economies of the new Member States, it affects the farmers' lobby and hinders the process of adaptation. During the first three enlargements, CAP has been an attractive advantage of accession but nevertheless the distortion of prices and the redistribution of incomes as a whole has failed to support the reforms in the new entrants. Upon each next enlargement there will be an ever growing number of groups of producers who will be affected by that enlargement in most different ways, and they would not always tend to support that process.
3. The size and the potential of the candidate country is of particular importance. The bigger countries with more diversified economies are better prepared to restructure and counter losses in one sector by gains in another. The larger economies are also more likely to use the advantages of inter-sectoral trade. The smaller economies are more vulnerable but they could also have some advantages - strong sectors which could avail themselves of the single market in the case of restricted national markets, e.g. the Danish food industry, the Finnish paper industry, the Swedish pharmaceuticals.
4. The EU structural assistance has a limited effect and could result in dependence. Such dependence would not decrease the imbalances in the sectoral development but could benefit individual groups.
5. Of essential importance is the attitude of the new Member States as to whether they want to join the EU as "followers" or as "leaders". This creates a certain resolution (Spain) for involvement in the main political events in Europe. The small countries usually choose to become leaders in more restricted areas such as environment, employment, social policy. They try to use the bargaining opportunities granted to them by their Presidencies of the Council of EU and to rely on the intelligent use of the right of veto in respect of different EU initiatives.

### **Impact of the enlargements on EU foreign policies**

As foreign policy is one of the most sensitive areas relating to national sovereignty, the co-relation between a national foreign policy and the evolving EU common foreign policy is extremely important for the effect of enlargement.

Broadly speaking, the following could be said:

1. every new country imports a new system of its own foreign relations, which are then internationalised through the EU and reoriented according to objectives of the Union. The specific interests of the new members are thus added to the common interests;
2. a new hierarchy of preferential trade relations is built up which takes account of the enlargement;
3. the significance of the EU as a factor in the international trade system increases;
4. the diplomatic profile of the EU is raised through the linkage of political and economic issues. The development of the European Political Cooperation (EPC) was connected with the commercial policy. The very emerging of CFSP follows the logic of European development after the fall of the Berlin wall and the common European interests in the field of politics, economy and security.

On the whole, the enlargements of the EU have strengthened the Union's foreign policy component. Nevertheless, the Member States have not been inclined to include their foreign relations with third countries in the Community framework. The pillar structure of TEU has clearly confirmed that.

### **The indirect impact**

An argument frequently invoked during the discussions is the so-called "dynamic effect" of membership, i.e. the long-term benefits which are hardly quantifiable and are always subject to different political interpretations. The promises for gradual benefits in the long run may prove sufficient to overcome the resistance to membership (which was indeed the case in the United Kingdom, Spain and Sweden).

### **Economic effects**

To the extent that the European Community has originated primarily as an economic union, the economic implications of membership are much more tangible. The direct effects have both quantitative and qualitative dimensions and have been analysed in detail in the numerous publications devoted to the evolution of the Community. The long-term economic implications go beyond the effect of the customs union, the access to the structural funds, etc. The application of the *acquis communautaire* requires that large-scale economic reforms take place in the Member State concerned, including deregulation in areas like public procurement, introduction of the principle of mutual recognition, foreign ownership of national companies and land, etc. The recent introduction of the convergence criteria for the economic and monetary union imposes some restrictions on the macro-economic policy. Upon each next enlargement, the new entrants would have to satisfy more and more detailed and numerous requirements of the EU concerning their own national economic policy.

## **7. THE EASTERN ENLARGEMENT AS A NEXT CHALLENGE THE STARTING POSITION**

For many years the links between the EEC and the Comecon (CMEA)(13) had been more than modest. That was due, on the hand, to the reluctance of the Community to recognise the Soviet hegemony over Eastern Europe and, on the other hand, to the insignificant volume of mutual trade between the two blocks - during the 70s, the export from the Soviet Union to the EEC countries amounted to barely 1-2 per cent GNP (the figure for the Eastern European countries being accordingly 5 to 10 per cent) and covered gas, oil and other raw materials falling outside the scope of the EEC common commercial policy. The two blocks arrived at a mutual recognition of their diplomatic status only in 1988. From 1991 to 1993, association agreements were entered into between the EC and the CEECs which, most generally, provided for the building up of free trade areas throughout periods of 10 years. Despite that the level of relations was thus significantly raised, those agreements have some important intrinsic restrictions:

- they contain scarce provisions on the development of political dialogue which already fail to match the level of relations between parties in the process of accession negotiations. Those provisions were actually overtaken by other documents adopted by the EU, e.g. the Essen pre-accession strategy (1994), the guidelines for political dialogue (1994), the guidelines for the reinforced dialogue with the associated CEECs (1997), etc.;
- the commercial parts of the agreements provide a slow pace of abolition of customs duties and quantitative restrictions on the part of the EU in respect of "sensitive goods" as textiles and ferrous metals, and only improved access in a sensitive sector like agriculture. As a matter of fact, these are the goods and the sectors where the associated CEECs are most competitive;
- these are bilateral agreements which do not form part of a wider multilateral regional trade framework. The diversity of the CEECs has been mirrored in the different time schedules which reiterates the bilateral approach.<sup>(14)</sup> The central and east European countries were encouraged to develop commercial relations mostly with the EU, not among themselves, which risked to create serious problems with the rules on the origin of goods. In fact, the setting up of CEFTA and of the Baltic free trade area has maybe confirmed the threats stemming from such a bilateral approach, though the importance of the EU significantly outweighs the incentives for an accelerated intra-regional co-operation.<sup>(15)</sup>

The follow-up comprised a process of slow ratifications, rapid implementation of the commercial parts of the agreements and a gradual development of the political dialogue. The restrictions inherent to the Europe Agreements were also recognised by the European Commission in its report for the Lisbon European Council (1992). In it, the Commission pointed out that "the countries which are not yet in a position to accept the obligations of membership have political needs which go beyond the possibilities of existing agreements. They desire the reassurance that they would be treated as equal partners in the dialogue concerning Europe's future."<sup>(16)</sup>

The Copenhagen European Council in June 1993 paved the way for the future relations between the EU and the countries in Central and Eastern Europe by stating the Union's firm commitment to enlargement. The principles of the classical method of enlargement were also reconfirmed. The Copenhagen criteria were an orthodox reiteration of the inviolability of the *acquis communautaire*. After June 1994 (Corfu European Council), practical steps were undertaken to involve the associated CEECs in the political process of the EU within the framework of different councils on the activities within the separate pillars of the Union. Everything was summarised in the pre-accession strategy adopted in December 1994 by the Essen European Council.

In reality the restrictions of the association agreements accelerated the process of filing applications for full membership of the European Union.

Unlike previous enlargements, a White Paper on the internal market was drafted and presented for the last enlargement (Cannes European Council, June 1995). The paper defined the major areas and the key legislative measures which had to be adopted by the candidates, the sequence to be observed, the administrative and technical structures which should guarantee the efficient enforcement of legislation, and the guidelines for the technical assistance to be provided by the EU. The White Paper does not form part of the accession negotiations, it is not legally binding and does not introduce new conditions. It is rather an indicative instrument and could thus be regarded as a mild modification, rather than revision, of the classical method of enlargement. The White Paper also has some restrictions mainly related to the fact that the responsibility for the adjustments is placed entirely on the candidates and there are no timetables for completion of the approximation process, nor are there any clear objectives and criteria making it possible to evaluate the progress made. Many criticisms, especially those coming from the associated CEECs, have been directed at the fact it is very difficult to mobilise the forces if the EU has not committed itself to a date for starting the negotiations, since in that case the process of accession rather resembles a route without any milestones on it. The counter argument of the European Commission has been that the excessive concentration on precise indicators, for example in the area of privatisation, could focus the attention entirely on figures and not on the essence of the reforms. It has been stated that the emphasis of the White Paper is to support the building up of organisational structures which would have mostly qualitative, not

quantitative, dimensions. Undoubtedly, the White Paper is one of the important tools during the preparation for accession. Many of its elements have been further developed in later EU documents, e.g. the Accession Partnerships, the Road Maps, etc, but, nevertheless, it still retains its importance as a compendium of the absolute minimum required.

It is common knowledge that there is no consensus among the existing Member States on the future enlargement. According to Preston, the pre-accession strategy may be seen as a way to slow down the process of enlargement until the EU has achieved internal consensus on its own reform.(17) This opinion, however, reflects one of the extreme positions. The correct approach would be to recognise that the degree of preparedness of the countries of the fifth enlargement is not less important than the pace of the process. The balance between these arguments will constantly change in favour of the first of them because, while embarking on the negotiations process, the associated CEECs tend to considerably accelerate their overall preparation, while the achievement and fixing of internal consensus among the EU Member States requires inter-gov-ernmental conferences which have not been scheduled so far.

The countries in Central and Eastern Europe today face the task of adjusting more rapidly to a more voluminous legislation, yet being in a worse starting position than the candidates during previous enlargements. They also face the enormous, well known differences in comparison with the EU countries in terms of level of development, standard of living, income. It would hardly be possible to negotiate long transitional periods and schedules as in the case of previous enlargements (Greece, for example, was an associated country for 20 years before it joined) due to the large number of candidates this time.

The next enlargement requires the carrying out of reforms in some of the EU policies. One of the problems already touched upon is the common agricultural policy. In all the ten associated CEECs, 25 per cent of the active population are employed in the field of agriculture and they produce 8 per cent of GNP, as compared to 6 % of the population in the EU producing 2.5 per cent of GNP.(18) The low prices in the Central and Eastern European countries would necessitate an important price support from the EU which would entail financial difficulties. This would affect mainly the production in the Member States and would require export funding to sell in third countries, which would also increase the export refunds. According to one estimate the additional spending for the EU budget would amount to 476 million ECU annually, which is more than the total expenditure on CAP over any of the past years.(19)

As far as the structural funds are concerned, each of the ten associated CEECs would be eligible for assistance under Objective 1, as they satisfy the requirement for GNP per capita of less than 75 per cent of the average for the Union. According to some studies, Greece receives today 400 ECU per capita from the structural funds which corresponds to 5-6 per cent of GNP but if Baldwin's scheme is applied to the Czech Republic and Bulgaria, the assistance from the EU would amount accordingly to 13 and 34 per cent of GNP respectively.(20) That would create enormous tension for the EU budget and would put under question the absorption of such huge funds by the new entrants. There are all reasons to assume that the net contributors like Germany and the United Kingdom would oppose such expenditure, whereas the net recipients, like Ireland, Portugal and Greece would not allow this to happen to their detriment. Thus it would be extremely difficult to achieve consensus on this matter. Given the link between the budget issues and the voting in the Council of Ministers, plus the potential possibilities for uniting the votes of a future group of countries sharing similar interests, it could be claimed with certainty that the reform of the institutions and the policies would be a pre-condition for finalising the negotiations on the next enlargement.

Exactly in that connection the Vienna European Council (11-12 December 1998) envisaged that a decision should be made "at the Cologne European Council (June 1999) on how and when to tackle the institutional issues not resolved at Amsterdam".(21) The Cologne Council decided that the new Intergovernmental Conference be convened in 2000.(22)

It should not be forgotten that the next enlargement would take place also in the context of the potential accession of other countries aspiring after EU membership, e.g. Cyprus, Malta and Turkey. While the fulfilment of the conditions for membership would not be a significant problem for the former two countries (such problems could rather arise because of the possibilities of two micro-states to participate in

blocking coalitions and in connection with the internal debate on renouncing their sovereignty), Turkey remains a special case reminding that States located on the borderline of Europe raise uncomfortable questions not only for the classical method of enlargement but also for the European identity and the fundamental criteria for membership of the Union.

A look at the principles formulated in the beginning and their possible application to the eastern enlargement (irrespective of its stages or waves) shows that the classical method of enlargement would still be applied. Some modifications thereof are though inevitable by reason of the following factors:

1. The diversity of the candidates and their level of economic development would pose problems for the classical transitional periods which have so far been limited to 5 years.
2. The decisiveness of the European Union to launch the completion of the economic and monetary union as at 2000. Though no one would require the new entrants to join the EMU right from the start, simultaneous enlargement and deepening would inevitably cause problems. Given the experience from previous enlargements, it could be concluded that these two processes are not incompatible. In particular the Iberian enlargement has shown that enlargement could assist deepening, provided that the candidates are sufficiently firmly committed to the integration process and it is possible to construct a good package.
3. The discussion gathering pace on the issues of differentiated integration. All conceptions which have seen light in this respect - a multi-speed Europe, Europe of the variable geometry, Europe a la carte, the theory of the concentric circles, etc., require a certain degree of differentiation but the classical method imposes restrictions on the degree of differentiation. In addition, most candidates would like to join a stable and homogeneous Union and practice has shown that half-way variants like association or the EEA are not sufficiently attractive and lasting.

The question is whether the principles of the classical method would be modified, given these challenges of differentiation and diversity. The first principle, about the comprehensive nature and binding character of the *acquis*, will not undergo any change. The second principle is more flexible and the transitional periods may be changed endlessly but a twenty-year transitional period could hardly be deemed full membership. Perhaps the classical five-year period would be extended. The third principle - concerning the policies - relates to fundamental changes and, in view of the complexity of the problem, will require that a solution be reached on the policies before the next enlargement. The fourth principle allows for the introduction of some changes in the decision-making process prior to the next enlargement. The fifth principle, concerning the negotiation with groups of countries already having close links among themselves, is subject to verification. The potential members would have less incentives to co-operate with each other if they know that the best ones would be the first to join the Union. The sixth principle, concerning the pursuit of a State's own interests, is fixed well enough. By all probability the classical method would remain stable as a whole.

### **The context of negotiations**

During the negotiations the associated CEECs would define the conditions of membership and the necessary amendments to the Treaties. The conditions for accession include:

1. Participation of the new entrants in the institutions of the Union;
2. Possible interim derogations from the *acquis communautaire*, nature and duration of the transitional periods;
3. Contribution to the budget and amounts of assistance which the new members would receive under different programmes;

4. Possible adjustments of the common policies in relation to the new Member States;

5. Possible special programmes to support the adaptation of the new Member State.

The sovereign States which have applied for membership should negotiate the specific "compensations" they would receive in return. The Treaties do not list the number of votes to be attributed to the new entrants or the names of the countries. The intergovernmental conferences within the framework of which the negotiations would develop will actually modify the legislation, as they will introduce amendments to the Treaties.

The exceptions that could be agreed on would only be interim and for a fixed short term. However, there is no ready-made formula as to what is a fixed or short period. In any case, during the negotiations references will have to be made to the transitional periods laid down in the directives and various other instruments of the EU. As negotiating exceptions has always been very difficult for the candidates, it would be of the essence for them to substantiate the evident needs with figures directly defining the problem as a crucial one and having a nation-wide relevance for the candidate concerned.

What would be the room for manoeuvre available to the associated CEECs during the negotiations? Undoubtedly, they all 'set off from relatively weak initial bargaining positions for the following reasons:

- it is the candidate countries that aspire to join the EU, not vice versa;
- each candidate faces negotiations on quite a voluminous and complex legislation which the candidates do not know in details;
- on the other side the table, 16 opinions and views would be represented (including that of the European Commission), and all of them will all have to be satisfied;
- in the case of the associated CEECs, additional difficulties exist with reporting on the progress made under several instruments at the same time: execution of the Association agreements with the schedules laid down therein, compliance with the White Paper on the internal market, fulfilment of the Accession Partnerships which set mostly the conditions for the provision of funds upon taking over the *acquis*. In parallel, the fulfilment would also be taken into account of the National Strategy of the Republic of Bulgaria for preparation for membership of the European Union, and the National Programme for the Adoption of the *Acquis*;
- in the very beginning the conducting of six parallel negotiations conferences with the countries in first group would act as a brake on the provision of concessions to any associated CEECs, as the others would immediately endeavour to obtain the same treatment;
- the EU itself is in the process of reforms, including such difficult and sensitive areas as the common agricultural policy and the structural funds. The outcome of those reforms, which will affect entire regions and the poorer population in the Member States, would inevitably have a bearing on their attitude towards the enlargement. As the experience with the first group has shown, the implementation of the reforms is not a prerequisite for the opening of the negotiations but is a *conditio sine qua non* for their successful outcome.

In view of the above arguments it would certainly be most important for CEECs to concentrate their efforts on the accelerated taking on board of the *acquis communautaire* and to look for precedents in the practice of the EU in order to conduct more efficient accession negotiations and to motivate requests for exceptions and transitional periods. It should also be borne in mind that the EU is firm during negotiations and would not be easily persuaded to grant concessions, especially given the declining euphoria after the end of the cold war.

## **8. SOME PRACTICAL LESSONS IN THE CONTEXT OF THE SUCCESSFUL CONDUCTING OF NEGOTIATIONS FOR MEMBERSHIP OF THE EU**



No doubt, every enlargement has its own peculiarity and the experience from previous enlargements could only be relied on to a certain degree. Still, the following conclusions could be drawn on the basis of the available material:

**THE NEGOTIATIONS ARE CONDUCTED WITH EACH CANDIDATE COUNTRY INDIVIDUALLY AND IT IS FOR THAT COUNTRY TO FIND ITSELF THE BEST SOLUTIONS.**

No reliance should be placed on the block approach or the group factors, nor on the thesis that the candidate countries share some common interests, regardless of the fact that this is the approach preferred by the Union. In the course of the negotiations all associated CEECs are competitors for a quicker, efficient and successful accession and Bulgaria should rely mostly on its own forces.

At the same time, the Bulgarian side would face problems in trying to escape the block approach taken vis-a-vis the whole region until the Balkans remain an unstable area. The EU currently lacks a comprehensive strategy for the development of its relations with the countries in South-Eastern Europe. Nevertheless the image of the region would frustrate, rather than accelerate the process of negotiations, irrespective of the fact that Bulgaria is significantly more advanced with the fulfilment of the criteria for membership as compared to the other countries in the region. In this sense Bulgaria would face a two-fold task: to form part of the group of negotiating associated CEECs aspiring after a rapid finalisation of the negotiations, and to distinguish itself from the image of the unstable Balkans and affirm itself as the stabilising factor in the Balkans apt to conduct the political line followed by the EU. The correctness of this thesis has been proven by the political assessments of the European Commission for the policy followed by Bulgaria in the region and especially for its solidarity with the efforts of the international community to resolve the crisis in Kosovo. Apparently Bulgaria's way towards full membership goes through the regional policy and Bulgaria has the chance to turn the regional aspect into its asset by comparison with the other candidates. On this basis the future participation of Bulgaria is also built in the Stability Pact for South-Eastern Europe initiated by the EU and adopted in Cologne on 10 June 1999.

The unique nature of all individual negotiations should also be borne in mind in another aspect: Bulgaria has already developed its national strategy and programme for the preparation for accession. The achievement of the short-term and long-term targets set in these documents would guarantee a productive individual preparation and the success of the negotiations.

**THE FULL TAKING ON BOARD OF THE ACQUIS COMMUNAUTAIRE IS THE BASIS FOR A SUCCESSFUL ACCESSION.**

This principle underlies the classical method of enlargement and means that the Bulgarian negotiation position should not be based on the expectation to reach agreement on special exceptions for our country. Given the six conferences already taking place simultaneously for the accession of the associated ..^ countries from the first group, and the expectation that negotiations with a second group would be opened before those with the first group have ended, it is unrealistic to expect that an agreement on exceptions or special regimes would be possible since each of the negotiating candidate countries would endeavour to obtain identical concessions. The European Commission has reiterated this consideration on numerous occasions and the pace of adopting the acquis would continue to be the litmus for the success of the integration efforts.

**IN THE COURSE OF NEGOTIATIONS, THE EU WOULD NOT ALLOW ANY CANDIDATE COUNTRY TO EXPORT SIGNIFICANT NEW PROBLEMS TO THE UNION**

To the extent that all issues which form the subject matter of the Accession Treaty would be clarified during the negotiations, what we mean here is primarily the possible foreign policy problems. It has been clarified in the course of previous exchanges of information between the EU and the candidate countries that the continuous and ever fuller harmonisation of the country's foreign policy with the CFSP would be a must for a problem-free treatment. Hence, it is still necessary to pursue a balanced regional policy, to solve

all bilateral issues and to refract our bilateral relations in the Balkans through the prism of our integration policy. Likewise, we should not ignore of Bulgaria being one of the bridges between the countries which are already members, or negotiate for membership, and those countries in the region which do not face yet the immediate prospect of EU membership. The existing examples of applying this approach have proven that this is the winning policy (see also 1 above). This thesis has also been confirmed by the more frequent integration of regional approaches into the pan-European perspective of the EU. The anticipatory harmonisation in areas having foreign policy implications could be a very winning position, indeed, for instance harmonisation of the visa regime with that of the countries in the Schengen area and gradual implementation of the Schengen rules.

### **EVERY CANDIDATE COUNTRY SHOULD VERY CLEARLY DEFINE ITS LIST OF ABSOLUTE PRIORITIES**

After the end of the screening of legislation, the Bulgarian side would have a sufficiently clear identification of the areas in which negotiations would be held on each of the 31 chapters. It would be mandatory to define the list of priorities and the hierarchy among them before the negotiations begin. It would not be realistic to achieve all wishes and, hence, the upper and lower threshold of the negotiations positions should be defined, the big and the small issues should be set apart. Good lessons could be learnt from those associated CEECs which have progressed far enough with the negotiations and with which Bulgaria has the smallest number of competitive areas in common. The experience from previous enlargements has shown that the total list of central priorities for the country should comprise no more than 10 points which, moreover, would most probably be solved in the very last minute. It should not be forgotten that the room for manoeuvre is relatively limited as, by applying for membership, each candidate country has agreed to the main political and economic objectives of the EU. Thus only the absolute national priorities could be defended until the end. The drafting of "White Papers" (in some countries they are of a different colour) on each chapter of the negotiations, in line with the Swedish, Norwegian and Finnish example, would be instrumental in identifying the problems and the absolute priorities, composing the enlarged teams for the different chapters, and involving a larger circle of experts and interests into the expert debate on the specificity of the negotiations.

### **THE OPEN STATEMENT OF PROBLEMS COULD ONLY BRING DIVIDENDS DURING THE NEGOTIATIONS**

Most problems have been clearly outlined in the opinions on the applications <sup>^</sup> for membership. This means that nothing would be forgotten or omitted. One should not think that a country with limited resources, such as Bulgaria, could conceal anything from the bureaucracy in Brussels with its capacity of thousands of people receiving most diverse and accurate information on the country's real problems. The open approach would be an advantage if it gives rise to clear-cut proposals for alternative solutions taking account of both the Bulgarian interests and the interests of the partners and translated into the language of the Community.

The success of the negotiations would depend on the successful contacts created in Brussels and in the capitals of the Member States

Lobbying is an issue to which each candidate country will devote enormous efforts but only few would be successful in winning everybody's support. The contacts in Brussels would be decisive for receiving an objective assessment on the extent to which our approach and behaviour are efficient and understandable, and well-intended officials in Brussels could contribute immensely to the elimination of some drawbacks in our tactics or strategy for the conduct of negotiations. That would depend on the successful lobbying in Brussels and should be accompanied by active support and understanding in the capitals of the Member States where the national positions of each Member State in the Council would be forged. It is important to clarify what each individual Member State would require from Bulgaria, and the process of formulation of the partner's individual interests has been fully in progress for quite some time already. This requires a much closer interconnection between the bilateral diplomacy in the capitals of the Member States, the target-oriented actions in Brussels, and the conduct of accession negotiations. The position and the

behaviour of the representatives of the Member States in the negotiations for Bulgaria's accession should become the fundamental criterion for the country's bilateral relations with these States. Good knowledge of the Union could substantially facilitate the arrival at the possible compromise also acceptable to the partner and is an absolute must for a country in a vulnerable position such as any candidate country.

### **THE POLITICAL SUPPORT FROM THE CAPITAL WOULD BE DECISIVE THROUGHOUT THE PROCESS OF NEGOTIATIONS**

This means that the consensus should be preserved from the onset of the negotiations to their successful end, as its absence might undermine the position of the national delegation. This is also linked with the support for the specific delegation which conducts the negotiations - support that should be manifested and give the person conducting the negotiations the confidence that he is in a position to decide on issues within a certain range. In this connection it would be useful to delineate the wide circle of experts who could assist the successful conduct of negotiations to one extent or another. Those experts should be able to rely on full support during the debates within the framework of a national discussion.

### **PUBLIC OPINION WOULD PLAY AN EVER INCREASING ROLE IN THE PROCESS OF NEGOTIATIONS**

Public opinion would provide the background against which the negotiations will develop. In addition, that background would be well known to the other party. The open discussion on the problems relating to membership would create a certain attitude and would contribute to improve the discussion and the overall preparedness of the population for the first day of membership. The responsibility of the media for the successful and intelligent development of that process is tremendous. The information campaign about the EU should strike the right balance between State, public and private involvement. The strategy in that respect would also need parallel adequate tactics which should ensure that the peak of the discussion and the place of this topic in the public debate do coincide with the end of the negotiations and with a possible referendum. At the same time, the public attitude and opinion could be used in order to construct and defend a given position during the negotiations. Thus, the strong public opinion against the visa restrictions for Bulgarian nationals crossing the territories of the EU Member States creates an atmosphere which could be used to channel the discussion with the partners in line with the Bulgarian long-term interests for equal treatment with the other associated CEECs. At the same time it would be important to clarify that the EU would not solve all our problems but could only be a useful instrument for their being solved. One of the existing problems concerns the existing public attitudes and stereotypes which most often overestimate or underestimate the possible role of the EU in the solving of national problems. The issue could not be reduced to "how much shall we receive and how much shall we give up". In the end of the day, the question is what we would succeed in getting an agreement on. One important moment is that the main lobbies would only develop and become established later, so their influence remains invisible. On the other hand, during the negotiations public opinion would strive to dramatise the date of their closure. That would pose an additional burden on the negotiating team and its members should be prepared for this challenge.

### **GOOD KNOWLEDGE OF THE MECHANISM OF NEGOTIATIONS AND A RAPID ADJUSTMENT COULD GIVE SUBSTANTIAL ADVANTAGES TO THE BULGARIAN DELEGATION**

The experience with previous enlargements of the Union and with the negotiations currently under way provide abundant material to get acquainted in detail with the different phases of the negotiations, the procedural mechanisms, the bottlenecks and the possibilities for influence. The existing possibilities for training in negotiation techniques could be enriched by differentiating the level of in-depth qualification. Experience has shown that the positions formulated could only be understood if the thesis therein is structured in the language and with the arguments of the Union itself. Following the logic of the documents issued by the European Commission, one would expect that these arguments would solely be understood if repeated a sufficient number of times.

The qualification of a larger group of experts is of key importance to the success of negotiations, as the concentration of competence within a limited circle of people risks to convert the process into an exercise of an elitist group which could negotiate an agreement hardly understandable to a larger audience.

**SECURING ARRANGEMENTS AGREED ON AT EACH STAGE WOULD ENSURE THE SUCCESSFUL MOVEMENT FROM ONE STAGE IN THE NEGOTIATIONS TO ANY NEXT PHASE.**

Of course, all arrangements would only be finalised when the negotiations have ended in all their aspects. In order to avoid any setbacks in positions already agreed on, it would be advisable to find a formula for their fixing at every stage and every next stage should begin from where the previous one has ended. No doubt, there would be complications as a result of the volume of legislation that will continue to be adopted while the negotiations are in progress. In that ^ sense, some adjustments would inevitably be necessary at the final stage. The important thing, however, is that they should not affect any fundamental compromises arrived at with difficulty. From a tactical point of view it would be much better to have the sensitive issues solved before the final when the package solution for the open issues could prove to be completely different from the initial version. Practice has shown that this is hard to achieve but the tactical advantages in the event of success are self-evident.

**NEGOTIATIONS COULD ONLY BE SUCCESSFUL IF BACKED BY AN ADEQUATE ORGANISATIONAL SCHEME**

The Bulgarian co-ordination mechanism relating to European integration has been changed three times so far. On 10 March 1999 the Council of Ministers adopted Regulation No. 47 on optimising the Dialogue with the European Union and the Mechanism for Co-ordinating the Activities of the Republic of Bulgaria for Accession to the European Union. This instrument has clarified/ structured and finalised the co-ordination mechanism.

The adjustment of the organisation for co-ordinating the work in relation to European integration would not only make it possible to raise the level of our work with the European Union but would also help put in place a scheme that would not need to be changed after accession. A fundamental element in such a scheme would be the already mentioned attribution of responsibilities and delegation of rights also to the lower levels. A look at the organisational schemes adopted in the EU Member States for the purpose of co-ordinating their policies with the EU, reveals that the scheme existing in Bulgaria could also be efficient under the conditions of membership. Namely, the co-ordination is concentrated within the Ministry for Foreign Affairs which is in charge of "ensuring, from an organisational point of view, the co-ordination and conducting of a single, coherent policy of the Republic of Bulgaria on all issues pertaining to the relations with the European Union (s. 3, subs 2(2) Regulation No. 47/10.03.1999)."

With passing on to the next stage of our relations with the EU, the mechanism could be improved in the following directions:

- operative capacity

It could be improved by envisaging a possibility for a restricted group of ministers with key functions in the integration process, under the leadership of the Prime Minister, to ensure the operational management of the process and to make urgent decisions. In the case of Finland that group consisted of seven ministers and all other bodies and authorities reported to the group. Such a group would not replace the existing co-ordination structures but would assist the rapid making of operational decisions. The frequent meetings of that group could give a new impetus - and different dynamics - to the preparation for EU membership.

- a closer linking of the results of the co-ordination among the different levels of the mechanism with the work at the level of governance decisions.

This means that the existing units should receive more powers, especially the Council for European Integration, thus developing the principle of subsidiarity. That would also have to be done in connection with the future membership. At the same time, it would be possible to report on the results of the work on the basis of specific performance indicators which have not been developed completely clearly yet in all areas.

- optimising the activities of the work groups.

The process of multilateral and bilateral screening has considerably reinforced the structure of the work groups which matches the tasks at this stage of the country's relations with the EU. In Finland, the number of preparatory administrative groups involving representatives of the administration and of the interest groups was 25 and the sections were 36, involving a total of over 550 people. The real issue is not to allow overlapping of the work between the groups, and to avoid the duplication of functions and the exhaustion of the still limited number of experts which are often the same people in different work groups. Regulation No. 47 lists in detail (in its Annex 4) those groups and defines their composition. In parallel to them the possibility could be envisaged of setting up informal and ad hoc groups and other preparatory mechanisms with proven usefulness in the course of such complex negotiations as those we would be facing.

- a more active involvement of the Parliament in the work for building up and maintaining of an informed public consensus on the issues of European Integration.

The Parliament should receive regular and in-depth information on the preparation and the development of the future negotiations with the EU. In the end of the day, the Parliament will be the institution to ratify the agreement embodying the conditions under which Bulgaria will join the European Union. The political forces could provide a clearer demonstration of their commitment to the European issues by holding regular debates on integration policy. It should not be forgotten that the Members of Parliament have tremendous opportunities to lobby both at the European Parliament and at the Parliaments of the Member States. Thus the active position of the Bulgarian Parliament could assist the finding of solutions for some difficult bilateral issues during the negotiations.

- a closer link with the organisations concerned, both trade and professional ones.

This could be achieved, on the one hand, by refining the mechanism of the work groups and involving in them a wider spectrum of representatives and, on the other hand, by setting up an advisory body (following the example of some countries during the last enlargement) where wider representation should be ensured of various social groups, e.g. the business, political, etc., circles. Given the wide consensus on the issues of European integration that has been declared, it would hardly be difficult to set up such a body but time will be needed before it starts operating efficiently.. It would be important to activate the participation of the professional organisations in the European associations, as well as their bilateral contacts with the national associations.

The negotiations team is an issue on which a political decision is needed. The experience from past enlargements shows that the composition of the negotiations team starts at a relatively early stage when the perspective for opening the negotiations is immediate. In order to preserve the unity of the team, and ensure the unity of the position in all its aspects, most countries nominate a relatively limited number of members to the negotiations team within which a full degree of mutual information and understanding should exist. That team, as well as the enlarged team of experts, would need special training which could be launched even now.

The information campaign is an important aspect of organisational work. At this stage it cannot be left entirely in the hands of the interest groups (which by the way was the Nordic experience) due to the need to offer those groups assistance in building up their information structure. The information campaign needs its own organisational structure developed jointly with the large and successful world companies in this area.

Positive experience could be drawn from the practice of allocating equivalent funds to the organisations representative of the major trends in public attitude.

Now, after the bilateral and multilateral screening has taken place, what are the specifics of the stage at which we find ourselves and which is, in fact, a preparatory stage for the negotiations?

The deepening differentiation between the associated countries is already a fact. Moreover, in the autumn of 1998 the essential negotiations with the first group of associated CEECs were opened, though on a restricted number of topics and without much clarity as to the scheme of their finalising, especially in respect of the institutional issues. At the same time the position of the Member States and of the EU institutions is that Bulgaria already participates in the process of accession and should wait for some accumulations. In this sense, clarity is needed as to whether the policy of "small steps" is satisfactory for Bulgaria or not.

The Bulgarian side should be prepared for a situation in which some of the associated CEECs would have become EU members, while Bulgaria still negotiates. This makes it necessary to envisage interim options including the use of such a situation as a springboard for participation in the single market.

The recent Presidencies of the EU have given a serious impetus to the launching of bilateral negotiations with the countries of the first wave, though on more problem-free areas. The time necessary for drafting the positions of the candidate countries on those chapters and for preparing the general position of the EU will be the first serious test for the administrations of the already negotiating CEECs. Valuable lessons could be drawn from this.

At this stage, the lack of clarity in the following aspects is particularly negative:

- the qualitative aspect of the Copenhagen criteria, the use of phrases as "sufficient progress", "functioning market economy" and "matching the high standards of the European Union". As a result of this, in the domestic context the high standards of the EU are already referred to in respect of spheres where their application is completely impossible;
- the date of opening the real negotiations is an obstacle to focusing the attention and concentrating the efforts on a specific timetable;
- the conditions under which negotiations will be opened with the second group. This virtually makes it possible to represent all new conditions as criteria and to infinitely theorise the changing practice;
- the conditions for the closing of the negotiations with any of the associated countries or the indication of a final date of the negotiations even as an objective. In order for the institutional reform to take place, the results of the intergovernmental conference should be awaited and the Cologne European Council decided that this conference would start in 2000.

One should not underestimate the opportunities that other international organisations provide for preparation for membership of the EU. Given today's degree of overlapping of problem areas, the co-ordination of positions between the EU and CEECs already taking place within the UN, WTO and the specialised agencies of the United Nations is a process that would gradually forge identical mechanisms of work and that would help Bulgaria to be genuinely involved in the implementation of the EU common policy. At the same time, the first lessons to be drawn from that co-operation show that the degree of confidence the EU has in the candidate countries may increase over time if the candidates embark on active and real, unambiguous, acts in the expected direction. The Bulgarian side faces the issue of enlarging the co-operation both horizontally, by covering more topics and applying more instruments, and in depth - which means genuine co-ordination of positions on serious issues and involvement in the process of shaping the EU positions.

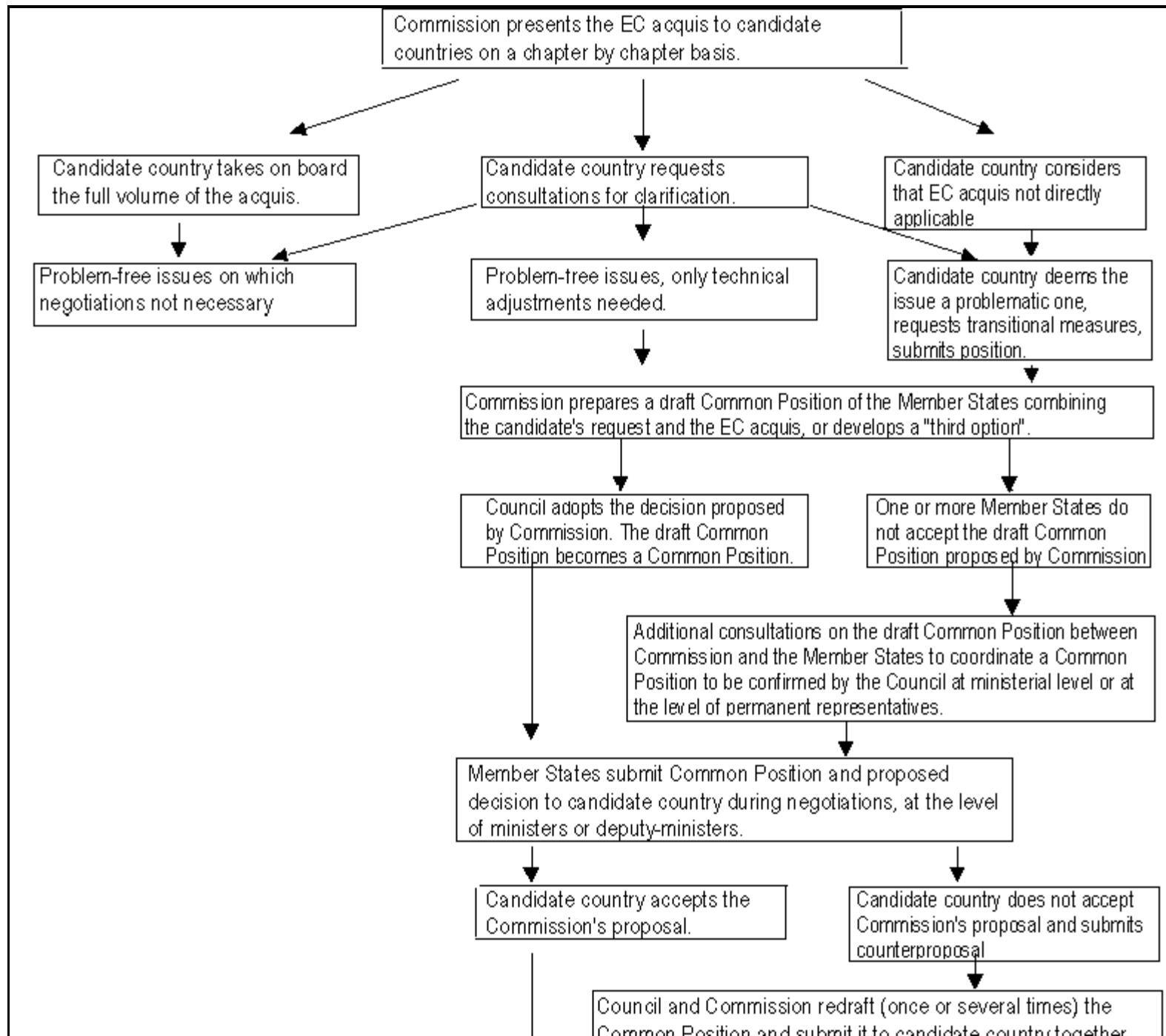
The view which more and more prevails is that the short road to the EU goes through regional stability and the development of infrastructure. The National Strategy for Accession to the EU has formulated the

transformation of Bulgaria into a regional infrastructure hub as a medium-term objective. In this connection it is of particular interest to use the interest of the EU to compensate for the more distant prospect of Turkey's full membership through serious economic projects and co-operation. In the light of the agreement on setting up a free trade area between Bulgaria and Turkey (1 January 1999) and given the encouraging role of the European Commission for arriving at that agreement, various ideas of follow-up steps could be discussed.

The analogy with the Partnership for Peace initiative is inescapable and it would be worthwhile to draw conclusions on the functioning of this scheme for the preparation of the countries in the potential second wave. The countries admitted to the first group were those which proved to be most acceptable from a political point of view. The unsatisfactory performance of any country in the first group may have a deterring effect on the desire or preparedness to admit new members.

The preparation for the negotiations for membership would be a lengthy process. It has been launched but it needs better dynamics in order to be successful. Different groups of factors, both external and domestic ones, will have a bearing on this process and some of them could be influenced by the Bulgarian side, while others could not. The pace and dynamics of the internal preparation for negotiations will influence directly the political decision on opening negotiations with Bulgaria which will be made in the capitals of the EU Member States and finalised by the European Council. The previous enlargements have become the source of sufficient experience on the basis of which a successful preparation for negotiations could take place. The models of enlargement and negotiations are well known and the changes eventually occurring vis-a-vis Bulgaria would follow the pace and the logic of the negotiations with the first group of associated Central and Eastern European countries. That would give Bulgaria some advantages, namely to avoid the mistakes made and to keep to broken paths, as the associated countries have too many similar problems. For a successful opening and end of the negotiations, political will would be indispensable and decisive - both of the Bulgarian side and that of the Member States. That would compensate for some elements in the country's preparation for EU membership which could hardly be finalised in the short run.

## **ANNEX 1: The mechanism of negotiations**





## ANNEX 2: LIST OF ABBREVIATIONS

CAP	Common agricultural policy
CEE	Central and Eastern Europe
CEECs	Countries in Central and Eastern Europe
CEFTA	Central European Free Trade Association
CFSP	Common foreign and security policy
Comecon	Council for Mutual Economic Assistance
COREPER	Comitedes Representants Permanents
EC	European Community
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	Economic and monetary union
EPC	European Political Cooperation
ERM	Exchange rate mechanism
EU	European Union
GATT	General Agreements on Tariffs and Trade
GNP	Gross national product
IGC	Intergovernmental Conference
TEU	Treaty on European Union
VAT	Value-added tax
WTO	World Trade Organisation

## NOTES

1. Treaty on European Union (Maastricht).
2. Avery, G. (1994) The European Union's enlargement negotiations, Oxford International Review, Summer, p. 27.
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